Questions?

Type them into the Q&A box
Upcoming Webinars

https://www.tsahc.org/nonprofits-local-governments/heart-program-documents#accordion-bottom-4

• August 7, 2019 at 10:00am: Income Certification, Part II
The Secret to Raising More Money

The Importance of Stewardship
You are in the right place...

• Develop more, consistent financial resources.
• Established fundraising programs, or have never fundraised before.
• Enhance major gifts within your organization.
• Get a special project off the ground.
• Need to get your staff and board(s) on track.
What you will discover…

• The meaning of stewardship
• The cost for not stewarding your donors
• Understanding metrics to measure stewardship
• Who is responsible
• How to build greater connections
• Creating a donor stewardship program
The BIG Picture...

What is Stewardship?

• The **PROCESS** that occurs once a donor has given to your organization.

• The **Relationship** Building and communications that take place *AFTER* the gift has been received.

• Meeting a donor’s gift intentions and expectations within the parameters of your organization to create a **LONG-TERM**, mutually beneficial relationship.
Stewardship = Donor Relationships

Drawing Your Donors into a Deeper Relationship with your Organization
Healthy Fundraising is Relational

Elements of a healthy relationship:
• Education
• Understanding
• Trust
• Respect
For the first time ever, charitable giving exceeded the $400 billion mark in 2017, spurred by growth from all four sources of giving.

$410.02 billion

Where did the generosity come from?*

**Contributions by source**
(by percentage of the total)

- Giving by Individuals: $286.65 billion (70%)
- Giving by Foundations: $66.90 billion (16%)
- Giving by Bequest: $35.70 billion (9%)
- Giving by Corporations: $20.77 billion (5%)

Giving by individuals increased $14.27 billion over last year for a growth rate of 5.2 percent, on track with the growth in total giving.

The 6 largest subsectors all grew in 2017, but growth rates ranged widely from 2.9 percent all the way to 15.5 percent.

1. **Religion** - $127.37 billion (31%)
2. **Education** - $58.90 billion (14%)
3. **Human Services** - $50.06 billion (12%)
4. **To Foundations** - $45.89 billion (11%)
5. **Health** - $38.27 billion (9%)
6. **Public-Society Benefit** - $29.59 billion (7%)
7. **Arts, Culture, and Humanities** - $19.51 billion (5%)
8. **International Affairs** - $22.97 billion (6%)
9. **Environment/Animals** - $11.83 billion (3%)
10. **To Individuals** - $7.87 billion (2%)

Visit www.GivingUSA.org to learn more and to order your copy of Giving USA 2018: The Annual Report on Philanthropy. It is a privilege to...
Top Ten Most Important Reasons Why People Give
From Colorado Planned Giving Roundtable October 2011

According to Million Dollar + Donors

1. Belief in mission
2. Community responsibility/civic pride
3. Fiscal stability of the organization
4. Regard for the staff leadership
5. Respect for the organization
6. Regard for volunteer leadership of the organization
7. Serves on the Board, a major committee, etc
8. Wider respect for the organization—in the state, region, nation
9. Has an adult history of being involved with the organization
10. Leverage or influence of the solicitor
The average donor retention rate in 2016 was 46 percent; -0.5% change from 2015’s rate.

**Retention**: That is, only **46 percent** of 2015 donors made **repeat** gifts to participating nonprofits in 2016.

**Attrition**: **54 percent** of 2015 donors did not give again to participating nonprofits in 2016.
What this means...

If 1,000 people gave to an organization in 2017, only 460 of the 1,000 will make a donation in 2018.

However, 540 will not!
Measuring Stewardship

Primary Indicators
- Donor Retention Rate
- Donor Attrition Rate
- Donor Life Time Value (LTV)
Donor Retention

In other words, if 1,000 donors gave to your organization in 2016, and only 400 of those 1,000 made a donation in 2017, your donor retention rate would be 40%.
4 out of 10 new donors continue to give = 40% Retention
6 out of 10 new donors continue to give = 60% Retention
Donor Attrition

\[
\text{Donor Attrition Rate} = \frac{\text{# of Lost Donors from previous 12 months}}{\text{Total # of Donors for that period}}
\]

In other words, if 1,000 donors gave to your organization in 2016, and only 400 of those 1,000 made a donation in 2017, your donor attrition rate would be 60%.

\[
1000 - 400 = 600/1000 = .6
\]
4 out of 10 new donors continue to give = 60% Attrition
6 out of 10 new donors continue to give = 60% Attrition
Donor Life Time Value (LTV)

In other words, if your donor attrition rate is 60% and the average annual donor gift amount is $1,000, then your Donor LTV will be 1,667.00.

$1000/.6 = $1,667.00

If your attrition rate is at 40%, then your donor LTV is: $1000/.4 = $2,500

The lower your attrition rate, the more valuable your donors become.
The Cost of Bad Stewardship

If your donor attrition rate is 60% and the average annual donor gift amount is $1,000, then your Donor LTV will be 1,667.00.

Let’s say your attrition rate is based on a total of 1,000 donors. That means only 400 donors returned and 600 did not.

$1,677 \times 600 = \$1,006,200$

$1,677 \times 60 = \$100,620$

$1,677 \times 6 = \$10,062$
Good Stewardship Boosts Retention

- It costs 6-7 times more to acquire a new donor than to retain an existing one.
- Acquiring new donors is far more costly than keeping the donors you already have.
- Donors who stick with you for the long haul are more likely to increase their giving.
Who is responsible for Stewardship?

EVERYONE!
The Development Team and Culture of Philanthropy

• The Head of the Organization (CEO, ED, GM)
• Development Director
• Chair of Board Development Committee
• Board Chair
• Board Development Committee
• Other Volunteer Leadership (committed donors, auxiliary groups, other volunteers not on the Board)
• Finance Committee and Staff
• All Board Members
• All Employees: Professional, Program, Support Staff
What is Culture of Philanthropy?
<table>
<thead>
<tr>
<th>Description</th>
<th>Ignorance</th>
<th>Awareness</th>
<th>Interest</th>
<th>Experience</th>
<th>Participation</th>
<th>Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>I may or may not recognize the name of the organization.</td>
<td>I have heard of the organization.</td>
<td>I share the values of the organization.</td>
<td>I have seen/heard/felt the results of the organization’s work.</td>
<td>I participate in the organization’s activities and events.</td>
<td>I volunteer to take on leadership roles when I see a need.</td>
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<tr>
<td>I am not familiar with what the organization does.</td>
<td>I recognize the name of the organization.</td>
<td>I believe the organization’s cause is a good one.</td>
<td>I know the people in the organization.</td>
<td>I take on leadership roles when asked.</td>
<td>I volunteer to serve on committees and boards.</td>
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</tr>
<tr>
<td>I have a rough idea of what the organization does.</td>
<td>I am likely to read/scan the organizational promotional literature.</td>
<td>I attend the organization’s activities and events.</td>
<td>I serve on committees and boards when asked.</td>
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<tr>
<td>I may contribute occasional small gifts.</td>
<td>I believe the methods the organization uses to accomplish its mission are good.</td>
<td>I go beyond giving money to contribute time and energy to the organization as well.</td>
<td>My affiliation with the organization is an important part of who I am.</td>
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<tr>
<td>I believe in the organization’s leadership.</td>
<td>I trust the people in the organization.</td>
<td>I consider the organization’s mission to be my own personal mission.</td>
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<tr>
<td>I am likely to contribute repeated and/or annual gifts relative to my finances.</td>
<td>I feel like part of the organization.</td>
<td>I am likely to make repeated major gifts for special projects when asked.</td>
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<tr>
<td>I contribute repeated and/or annual gifts relative to my finances.</td>
<td></td>
<td>The organization receives the mass majority of all my philanthropic giving.</td>
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<tr>
<td>If my finances allow, I may contribute major gifts for special projects when asked.</td>
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</tbody>
</table>
The Cycle of Fundraising

1. Identify Prospects
2. Educate, Cultivate, Involve
3. Involve More Deeply
4. Thank and Recognize
5. ASK
Stewardship Plan

A Road map - Your organization’s comprehensive, systematic efforts to build strong relationships with donors.

Lays the groundwork for thanking, acknowledging and communicating with donors.

An addition to your Development Plan
Primary Elements of a Stewardship Plan

01 Series of Recognition

02 Series of Communication
Series of Recognition

Recognition of donors is acknowledging the donor effectively for the gift they have made to your organization.

• Acknowledging donors should happen more than once.
• The more personal the recognition, the more effective.
• May be more important that making the ask.
Samples of Recognition

• Letters/Handwritten Notes
• Phone Calls
• Emails
• Videos
• Website Acknowledgement
• Donor Celebration events
• Coffee
• Press Releases
Series of Communication

Communication with donors is reaching out and regularly touching your donor. The primary reasons for communication:

• Reminding donors about the impact they have made with your organization and the community.
• Inform donors of news and how their gift has made a difference.
• Educate donors about the problem your organization addresses, proposed solutions and the impact it will make in the community in which you all live.
• Stay top of mind.
Samples of Communication

• Follow up after events seeking advice
• Newsletters
• Surveys
• Questions about personal interests
• Interviews, testimonials, published profiles
• Website
• Podcast
• Social Media
Quick Tip – The Power of a Question

Simply asking your donors questions. The reason this is important:

• It helps you build a true relationship.

• To learn ALOT about your donors.
  • Their giving priorities
  • Their personal interests
  • Etc...

• Helps you align their involvement with your organization to their specific skill sets and interest.

• Differentiates you.
**Sample Donor Stewardship Recognition Plan**

Qgiv.

<table>
<thead>
<tr>
<th>To-do</th>
<th>Step</th>
<th>Who is Responsible?</th>
<th>When?</th>
<th>1st-time donor</th>
<th>2nd Gift</th>
<th>3+ Gifts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thank-you phone call</td>
<td>Provide phone numbers</td>
<td>Development Staff</td>
<td>Within 48 hours</td>
<td>✔</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thank-you call from CEO</td>
<td>Provide phone numbers</td>
<td>CEO</td>
<td>Within 48 hours</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Hand-written thank-you note with a photo of a shelter animal, signed by Development Director</td>
<td>Provide a card, mail</td>
<td>Development Staff, signed by Director</td>
<td>Send within 24 hours</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Impact letter: &quot;Remember that donation you made a month ago? This is what you’ve already done!&quot;</td>
<td>Print and send</td>
<td>Development Staff</td>
<td>30 days</td>
<td>✔</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Send video update of impact</td>
<td>Create and send</td>
<td>Development Staff</td>
<td>Quarterly</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Donor Interest Survey</td>
<td>Email survey</td>
<td>Development Staff</td>
<td>Two months</td>
<td>✔</td>
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</tr>
<tr>
<td>Celebrate donor-versary</td>
<td>Send anniversary card</td>
<td>Development Staff</td>
<td>Annually</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
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<tr>
<td>Birthday card</td>
<td>Provide card, send</td>
<td>Development Staff</td>
<td>Birthday</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
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<tr>
<td>Invitation to Shelter Shindig</td>
<td>Send invitation</td>
<td>Development Staff</td>
<td>Annually</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Holiday cards</td>
<td>Provide mailing list and cards, send</td>
<td>Development Staff</td>
<td>2nd week of November</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
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<tr>
<td>Invite to Coffee with the Cats and Canines donor appreciation events</td>
<td>Email invitation</td>
<td>Development Staff</td>
<td>March, July, October</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
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<tr>
<td>Thank-you story from an adopted pet (written by adopter)</td>
<td>Pick and provide a story from collection, mail out</td>
<td>Development Staff</td>
<td>2x a year</td>
<td>✔</td>
<td>✔</td>
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<tr>
<td>Timing</td>
<td>Stewardship Activity</td>
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<tr>
<td>Daily</td>
<td>Previous day's acknowledgements: mail/email</td>
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<td>Weekly</td>
<td>Previous week's receipts</td>
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<td>Phone calls to major donors</td>
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<td></td>
<td>CEO signature on thank-you letters</td>
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<td></td>
<td>Mail handwritten notes (collect daily when completed)</td>
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<td>Monthly</td>
<td>One day per month, phone calls to previous month's donors</td>
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<td>New donor packets mailed</td>
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<td>quarterly event invitations/plans</td>
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<td>Quarterly</td>
<td>Recognition/Behind-the-Scenes events</td>
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<td>January</td>
<td>Report on previous year: achievement of goals, report on service delivery, plans for new year</td>
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<td>February</td>
<td>&quot;We Love Our Donors&quot; Valentine mailing</td>
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<td>March</td>
<td>Annual Report Deliver - electronic and snail mail</td>
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<td>April-May</td>
<td>Annual Gala and recognition</td>
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<td>June</td>
<td>Mid-Year Report</td>
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<td>July-October</td>
<td>Ongoing stewardship, events, etc.</td>
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<td>November</td>
<td>Thanksgiving greeting/National Philanthropy Day</td>
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<td>December</td>
<td>Holiday greeting</td>
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<td>As Needed</td>
<td>Project/program updates - newsworthy happenings</td>
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</table>
Recap

• Stewardship is a systematic process to more effectively engage donors
• It is a combined series of Recognition and Communication
• You can gauge stewardship effectiveness through measuring donor retention, attrition and lifetime value
• Effective Fundraising = Healthy Relationships
• Stewardship plans can more effectively establish a culture of philanthropy within your organization